

**IN THE UNITED STATES DISTRICT COURT**  
**FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	:	<b>CRIMINAL NO. 07-_____</b>
	:	
<b>v.</b>	:	<b>DATE FILED:</b>
	:	
<b>BARBARA MURPHY</b>	:	<b>VIOLATION:</b>
	:	<b>18 U.S.C. § 641 (conversion of government</b>
	:	<b>funds) – 1 count</b>
	:	<b>18 U.S.C. § 1001 (false statement) – 1 count</b>

**INFORMATION**

**COUNT ONE**

**THE UNITED STATES ATTORNEY CHARGES THAT:**

At all times material to this information:

1. The Social Security Administration (SSA), an agency of the United States, administered certain government benefit programs, including the Disability Insurance Benefit (DIB) program, pursuant to Title 42, United States Code, Sections 401-433.

2. The DIB program was an earned-right program funded through Social Security wage taxes. When an individual worked, that individual paid taxes on his or her wages into the Social Security trust fund. If that individual became “disabled” and paid sufficient Social Security taxes to become “insured,” as those terms were defined for purposes of the Social Security Act, he or she was eligible to receive disability insurance benefits, which was designed to replace part of the individual’s earnings lost due to disability.

3. DIB payments continued unless the disabled individual’s “disability” improved, or until the disabled individual returned to work or died.

4. William Sherman received DIB during his lifetime. William Sherman's DIB payments were electronically deposited into his bank account, which he jointly owned with his niece, defendant BARBARA MURPHY.

5. William Sherman died on September 4, 1997.

6. SSA was not timely notified of William Sherman's death. Unaware that William Sherman had died, SSA continued to electronically deposit William Sherman's monthly DIB payments into William Sherman's and defendant BARBARA MURPHY's joint bank account. In or about June 2006, nearly nine years after William Sherman's death, SSA learned that William Sherman had died, and terminated his DIB payments.

7. Defendant BARBARA MURPHY improperly caused to be credited to her bank account approximately \$97,917 in DIB payments that were intended for William Sherman, who was deceased, and which defendant MURPHY knew she was not entitled to receive.

8. Beginning in or about September 1997 and continuing through in or about June 2006, in the Eastern District of Pennsylvania, defendant

**BARBARA MURPHY**

knowingly converted to her own use money of the United States in excess of \$1,000, that is, approximately \$97,917 in Social Security disability benefits, which were intended for payment to William Sherman, who was deceased, and which defendant MURPHY knew she was not entitled to receive.

In violation of Title 18, United States Code, Section 641.

## **COUNT TWO**

### **THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:**

At all times material to this information:

1. The Social Security Administration (SSA), an agency of the United States, administered certain government benefit programs, including the Supplemental Security Income (SSI) disability benefit program, pursuant to Title 42, United States Code, Sections 1381-1383f.

2. The SSI program, which was funded through general tax revenues of the United States, provided monthly cash benefits to individuals who were age sixty-five or over, or who were “disabled” and who demonstrated financial need, as determined by his or her “income” and “resources,” as those terms were defined for purposes of the Social Security Act.

3. The Social Security Act defined “disabled” as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment, which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than twelve months.

4. In addition, eligibility for SSI depended upon an individual’s “income” and “resources,” which included an individual’s earned or unearned income, and resources such as cash, bank accounts, personal property, or real estate. Further, if an individual was married or lived with other people, the income and resources of the spouse or other people were considered in determining the individual’s financial eligibility for SSI.

5. SSA’s ability to determine properly whether an individual satisfied the medical and financial criteria to receive SSI directly depended upon the individual’s providing SSA with accurate medical and financial information. Likewise, SSA’s ability to determine properly whether an SSI recipient continued to be eligible to receive SSI, and the correct

monthly benefit amount, directly depended upon the individual's providing SSA with accurate and current medical and financial information.

6. SSA required SSI recipients to notify SSA of any improvements in their medical condition, or any changes in their income or resources. SSA also required SSI recipients periodically to complete various forms and questionnaires as a means of updating eligibility and benefit level information.

7. SSA used and relied upon the information that individuals self-reported regarding their medical condition and financial circumstances to determine eligibility for SSI and to compute the proper SSI benefit amount.

8. On or about August 28, 2000, defendant BARBARA MURPHY signed and filed an application for SSI, in which she claimed that she was disabled as of July 2, 2000, and that she had no income or resources but for welfare benefits in the amount of \$202 per month and food stamps. Defendant MURPHY signed an application acknowledging that she understood "that anyone who knowingly lies or misrepresents the truth . . . is committing a crime," and expressly averred that "[e]verything on [her] application is the truth."

9. On or about May 3, 2002, SSA notified defendant BARBARA MURPHY that she was medically and financially eligible to receive SSI with a date of entitlement as of August 1, 2000, and made monthly SSI benefit payments to her as of August 2000. The award notice reminded defendant MURPHY that "[y]our SSI payments may change if your circumstances change. Therefore, you are required to report any change in your situation that may affect your SSI." The award notice further reminded defendant MURPHY that she must report, among other things, changes in her income or resources.

10. In or about January 2005, in response to SSA's question of "[d]o you own or does your name appear, either alone or with other people, on . . . financial institution accounts," defendant BARBARA MURPHY claimed that she had only one bank account. In addition, in response to SSA's question of "[s]ince the first moment of 08/01/2000 have you received or expect to receive income in the next 14 months from any . . . sources," defendant MURPHY claimed that she had no income or support not previously mentioned, but for a \$2,500 lottery prize she won in July 2004.

11. Defendant BARBARA MURPHY knowingly concealed from and failed to disclose to SSA that she owned at least one other bank account, an account which she jointly owned with William Sherman, who was deceased. In addition, defendant MURPHY knowingly concealed from and failed to disclose to SSA that she received additional monthly income, that is, undisclosed DIB payments that were intended for William Sherman, who was deceased, which ranged from \$898 per month (as of August 2000), to \$1,022 per month (as of June 2006).

12. As a result of defendant BARBARA MURPHY's misrepresentations and omissions regarding her income and resources, SSA overpaid defendant MURPHY approximately \$40,766 in SSI benefits.

13. In or about January 2005, in the Eastern District of Pennsylvania, defendant

**BARBARA MURPHY,**

in a matter within the jurisdiction of the Social Security Administration, an agency of the executive branch of the government of the United States, knowingly and willfully made a materially false statement about her income, by concealing from and failing to disclose to the Social Security Administration the true and full extent of her income and resources, a fact that

would have affected her right to receive supplemental security income benefits, and the amount of those benefits.

In violation of Title 18, United States Code, Section 1001.

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**PATRICK L. MEEHAN**  
**UNITED STATES ATTORNEY**